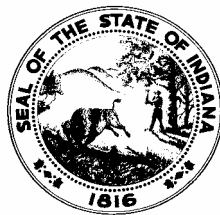# STATE STUDENT ASSISTANCE COMMISSION OF INDIANA

Calculating SSACI Awards and Other Numbers

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STATE STUDENT ASSISTANCE COMMISSION OF INDIANA

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Calculating Awards and Other Numbers for SSACI Awards

Introduction

This document shows how to calculate the Higher Education Award, the Freedom of Choice grant, the 21st Century Scholars Award and the National Guard Supplemental grant.[1] Awards are calculated as term awards and then added together to get the annual awards. Two methods of calculating awards are described: a simple method using a single formula and a more complicated but more accurate supplemental method. This latter method is based on the idea that Core 40 and Academic Honors awards are supplements to the regular 80% base award. Thus SSACI treats the base award, Core 40 and Honors as three separate programs and therefore three separate awards that require separate calculations. Institutions do *not* have to treat the base award and supplements separately in their award tracking system nor do they have to list them separately for students.

All calculations are given for public, independent and proprietary colleges along with examples. There is a section showing how to calculate partial awards based on the four-year eligibility rule (which is also covered) and a discussion of special awards.

Definitions and the Lesser Rule

❑ Abbreviations for awards for full time students:

- **HEA** is the Higher Education Award.
- **FOC** is the Freedom of Choice grant.
  * **FOB** is the Frank O'Bannon Grant (the HEA or the combined HEA/FOC).
- **CEN** is the 21st Century Scholars Award.
- **NGS** is the National Guard Supplemental grant (which is also available to part time students).

    The **tuition** subsidized by SSACI is set at a maximum for all institutions, public, independent, and proprietary. At publics it is usually, but does not have to be, the advertised tuition paid by a typical student taking a typical *full time 15-credit hour load* and might be less than that charged to students. It also includes some fees that are paid by all students but does not include all fees that might be charged to students. At public and independent colleges, SSACI subsidized tuition is explicitly capped or set at a maximum (although a college could have a tuition lower than the cap). At proprietary colleges, the subsidized tuition is the tuition at Ivy Tech State College. A table of allowable approved subsidized tuition and fees is published by SSACI each year. Anyone calculating SSACI awards must refer to this table.

    Lesser Rule. One final but important point: The **tuition** used in award calculations must be the *lesser* of the following tuitions:

    - Tuition and fees based on actual credit hours less than 30 credit hours (15 term hours) at schools that charge by the credit hour.
    - Agreed-to allowable tuition and fees (the "30 hour" tuition and fees) if the credit hour load is 15 or more term hours or the school charges a flat-rate for full-timer students.
    - The appropriate cap for all sectors.

❑ There are two tuitions used in the award calculations.

    * **PT** is the allowable tuition and fees used for the HEA and FOC but not the CEN or NGS awards, which might have a different tuition and fee structure. PT is usually, but inaccurately, referred to as the previous year's tuition.

    * **CT** is the allowable tuition and fees used for the CEN and the NGS awards, which might be different than the PT. CT is usually, but inaccurately, referred to as the current year's tuition.

    ➢ Both PT and CT are subject to an explicit tuition **CAP** or maximum at both public and independent colleges, which is set each year based on available funds; both PT and CT could therefore be the same. At proprietary colleges the CAP is the Ivy Tech State College tuition as long as that tuition is less than the public college cap, else it is the cap too.

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[1] The Part-time Grant, which is available at public and independent colleges, is discussed in a separate document.

∗ The **Lesser Rule** described above applies to both PT and CT in the appropriate way.

❑ **CONTRIB** is the student's ability to pay for college. It is determined from the FAFSA/SAR. It is the PC (Parental Contribution) if the student is dependent and the EFC (Expected Family Contribution) if the student is independent. If a dependent student has a blank PC, the contribution is the EFC.

❑ **CAP21** is the maximum CEN *award* at independent colleges, which is described in legislation and set each year and which is listed in the published table of allowable approved subsidized tuition and fees. Currently, CAP21 at public and proprietary colleges is CT.

❑ Two functions are used in the descriptions of award calculations:

- The **ROUND** function rounds a number to the nearest integer (.5 or more rounds up, else down).

- The **TRUNCATE** function drops the decimal part of a number and returns the integer part.

Assumptions

Unless otherwise published[2], the subsidy rates used to calculate SSACI awards are as follows.

❑ The regular or base Frank O'Bannon Grant tuition subsidy is 80% (0.80) of PT.

❑ The Core 40 tuition subsidy is 90% (0.90) of PT (the *supplement* is 10% of PT).

❑ The Academic Honors tuition subsidy is 100% (1.00) of PT (the *supplement* is 20% of PT).

❑ Keep in mind the following, which are *not* explicitly discussed in the award calculations that follow:

- A student for whom an award cannot be calculated (e.g., when there is missing financial data) should have a <u>null</u> or <u>blank</u> award and not a zero (0) award. There is a difference between not having an award and having a zero (0) award.

- The <u>minimum</u> annual FOB (the *combined* HEA/FOC) and NGS is $200; it is $20 for the 21st Century Scholars (CEN) award. This means that if an annual award calculation yields an amount less than $200 (or $20), <u>including a negative</u>, the award is zero (0).

The Term Method of Calculating Awards

SSACI calculates awards by terms and then add them up to get the annual awards. That is, the tuitions (PT and CT) and contribution (PC or EFC) used to calculate awards will be *term amounts rather than annual amounts*. After the term awards are calculated they will be added together to get the annual award. There are either 2 or 3 terms in a year depending on the number of payment periods SSACI uses: 2 for semester based calendars and 3 for trimester/quarter based calendars.

- SSACI requires that school-submitted allowable tuition and fees be divisible by the number of terms SSACI subsidizes for that school (either 2 or 3). SSACI will make sure that the cap is divisible by 6.

- The term tuition will be **rounded** and the term contribution **truncated** to give the maximum benefit to the student. That is, the *term tuition* will be ROUND (*annual tuition / number of terms*) and the *term contribution* will be TRUNCATE (*annual contribution / number of terms*).

- The *Term Frank O'Bannon Grant* will be *Subsidy x Term Tuition - Term Contribution* and the *Term Supplementary Grant* will be *Term Tuition - Term Frank O'Bannon Grant*, where the term tuition is the appropriate PT or CT tuition. The annual awards will be the sum of the term awards (subject of course to the rules for partial awards).

Therefore the formulas are:

- Term FOB Award = ROUND (RATE x TPT) – TCONTRIB where
    Term tuition = TPT = ROUND (PT/Number of terms) and
    Term contribution = TCONTRIB = TRUNCATE (CONTRIB/Number of terms)

- Term CEN/NGS Award = TCT – Term FOB Award
    Term tuition = TCT = ROUND (CT/Number of terms)

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[2] SSACI is authorized and required by statute to adjust all awards if budgetary considerations so demand. In addition, SSACI is authorized to set caps for all sectors if necessary.

<u>Note on re-calculating term awards with "lesser hours"</u>

The idea of using the "lesser" tuition and fees is straightforward: If the student is being charged by the credit hour and is taking less than the 15[3] hours used to determine the allowable PT and CT tuition and fees, the award must be recalculated using the actual credit hours and appropriate PT and CT tuition exactly in the same way the "30 hour" annual tuition was determined.

For example, if the student has 13 hours for the term, the award is based on 13 hours and the PT and CT tuition and fee charges, with the fees split into term fees just as the "30 hour" fees are implicitly split into term fees. Term numbers for tuition and fees must be used consistently. The awards could also be calculated as an annual award using 26 hours (2 semesters at 13 hour each) and then split into term awards but calculating the term award directly is the preferred method.

Each term award could be different depending on the number of credit hours the student is carrying each term, but the sum of the term awards could never exceed the annual award calculated using the agreed-to allowable tuition and fees based on the "30-hour" annual awards.

The Simple Method of Award Calculation

The simple method for calculating annual awards is straightforward and is based on a single formula. However, using the simple method to calculate awards is likely *not* to yield awards exactly the same as SSACI's. There might be differences of a dollar or two. *Therefore, during reconciliation awards must be adjusted to make them the same as SSACI's*. However, this method is certainly accurate enough for estimated awards.

❑ The annual[4] FOB awards are based on three factors:
- The college's SSACI-approved <u>tuition</u> charge.
  - ∗ This is the SSACI approved PT tuition and fees (subject to the Lesser Rule) for the FOB.
- The family's ability to pay for or <u>contribu</u>te towards college costs.
  - ∗ This is the PC (parental CONTRIBution) from the FAFSA if the student is dependent and the EFC (expected family CONTRIBution) from the FAFSA if the student is independent[5], else no award can be calculated.
- The <u>rate</u> at which SSACI subsidizes tuition.
  - ∗ RATE = 1.00 (100%) if the student is SSACI certified as an Academic Honors Diploma graduate with a high school GPA at least 3.00.
  - ∗ RATE = 0.90 (90%) if the student is SSACI certified as a Core 40 Diploma graduate with a high school GPA at least 2.00.
  - ∗ RATE = 0.80 (80%) otherwise.

❑ The annual award for all full time students regardless of school of enrollment is:
- Annual FOB Award = ROUND (RATE x PT) – CONTRIB
  - ∗ If an award calculates less than $200 (including negative amounts), the award is set to zero (0) dollars. That is, the student is considered no-need and has no Frank O'Bannon Grant award.
- For students at public and proprietary colleges, the FOB is called the Higher Education Award (HEA). For students at independent colleges, the award is <u>broken up into two awards</u>—the HEA and the Freedom of Choice (FOC) award. The allocation is 36% to HEA and 64% to FOC[6]:
  - ∗ HEA = ROUND (.36 x FOB) and FOC = ROUND (.64 x FOB) so that HEA + FOC = FOB.

❑ The Twenty-first Century Scholar's supplemental award (CEN) and National Guard Supplemental grant (NGS) are calculated in the same way as:
- CEN or NGS = (SSACI approved tuition for CEN and NGS[7]) – FOB = CT – FOB
  - ∗ A no-need student could have an FOB = $0. The Scholar's award (CEN) at independent colleges cannot exceed the maximum CEN21. The Guard award (NGS) is available only at public colleges and has no (explicit) maximum except that it cannot exceed the approved CT tuition. Other tuition specific

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[3] Appropriate changes must be made for trimester and quarter schools.

[4] For students in the system for many years, the award could be a partial award good only for a term or less.

[5] In effect, since the EFC = PC + student contribution, SSACI does not count the student contribution for dependent students.

[6] For the 2004-05 year, the ratios have changed from 35% and 65%.

[7] Remember that the PT and the CT approved tuitions and fees might be different.

aid might not be known in an initial estimate but must be counted at reconciliation, that is, for *reconciliation*, the correct formula for CEN/NGS is:

➢ CEN or NGS = CT − FOB − (*non-State tuition specific aid*)

∗ The minimum NGS award is $200; the minimum CEN award is $20.

- All non-State tuition specific aid to Scholars and Guard members ("*non-State tuition specific aid*") regardless of its source must be applied *before* the supplement is calculated.
- If a student is eligible for both a Scholar's and National Guard supplement, the Scholar's supplement takes precedence, that is, the student can receive one or the other but not both and must take the Scholar's award.

Supplemental Method of Calculating Awards

This method of calculating awards is based on the idea that Core 40 and Academic Honors awards are supplements to the regular 80% base award. Thus SSACI treats the base award, Core 40 and Honors as three separate programs and therefore three separate awards that require separate calculations. Institutions do *not* have to treat the base award and supplements separately in their award tracking system nor do they have to list them separately for students. This is just another way of calculating awards. The supplemental method together with the term method of calculating awards is in fact the method SSACI uses. NOTE: SSACI first calculates term awards and then adds them to get the annual award.

In the following TPT is the term FOB ("previous year's tuition"), TCONTRIB, the term contribution, and TCT the term CEN/NGS ("current year's tuition"). That is,

- Term FOB tuition = TPT = ROUND (PT/Number of terms)

- Term CEN/NGS tuition = TCT = ROUND (CT/Number of terms)

- Term contribution = TCONTRIB =TRUNCATE(CONTRIB/Number of terms)

  Where the "Number of terms" is either 2 or 3: semester schools or trimester/quarter schools

Public and Proprietary Institutions.

In this method separate awards for the base (80%) amount and the Core 40 and Academic Honors supplements are first calculated. These separate term awards are added together to get the (total) term award. In the following, do the steps in A first. Then do the steps in B or C but not both (and maybe neither). Then do the steps in D or E but not both. Finally do F if needed.

A: For ALL students eligible for an HEA, the regular term award TRHEA is:

STEP 1. TRHEA = ROUND (0.80 * TPT) − TCONTRIB

This amount could be zero or negative

B: For Core 40 students the *supplemental* term award TSHEA is:

STEP 2. TSHEA = ROUND (0.10 * TPT)

C: For Academic Honors students the *supplemental* term award TSHEA is:

STEP 2. TSHEA = ROUND (0.20 * TPT)

D: If the student is *neither* Core 40 *nor* Academic Honors, the term award THEA is:

STEP 3. THEA = TRHEA

E: If the student is either Core 40 *or* Academic Honors, the term award THEA is:

STEP 3. THEA = TRHEA + TSHEA

F: If the student is a 21st Century Scholar or is eligible for the National Guard Supplement (available only at public institutions), the term supplement TCEN or TNGS uses TCT and is:

STEP 4. TCEN or TNGS = ROUND (TCT − THEA)

Therefore, the total award due a Scholar or Guard member is THEA + TCEN or TNGS

NOTE: For *reconciliation*, the correct formula for TCEN or TNGS is:

TCEN or TNGS = ROUND (TCT − THEA − (*other tuition aid*))

where all non-State tuition specific aid to Scholars ("*other tuition aid*") regardless of its source must be applied *before* the supplement is calculated.

NOTE: The National Guard Supplemental grant is available only at public institutions

NOTE: If a student is eligible for both a Scholar's and National Guard supplement, the Scholar's supplement takes precedence, that is, the student can receive one or the other but not both and must take the Scholar's award CEN.

NOTE: Do <u>not</u> do checks for nulls or negative amounts or amounts less than the minimum award until *after* the supplements TSHEA is calculated <u>and</u> added to the base "R" amounts. The values TRHEA and TSHEA are all intermediate values. Only THEA and TCEN OR TNGS are final values that can be added to get the annual amounts.

<u>Independent Institutions.</u>

In this method separate awards for the base (80%) amount and the Core 40 and Academic Honors supplements are first calculated. These separate awards are added together to get the (total) award. In the following, do the steps in A first. Then do the steps in B or C but not both (and maybe neither). Then do the steps in D or E but not both. Finally do F if needed.

A: <u>For ALL students eligible for an HEA/FOC, the regular award is in two parts, TRHEA and TRFOC</u>:

STEP 1.   TRHEA =   ROUND (0.36 * (ROUND (0.80 * TPT) − TCONTRIB))

STEP 2.   TRFOC =   ROUND (0.64 * (ROUND (0.80 * TPT) − TCONTRIB))

These amounts could be zero or negative

B: <u>For Core 40 students the *supplemental* award is in two parts, TSHEA and TSFOC</u>:

STEP 3.   TSHEA =   ROUND (0.36 * ROUND (0.10 * TPT))

STEP 4.   TSFOC =   ROUND (0.64 * ROUND (0.10 * TPT))

C: <u>For Academic Honors students the *supplemental* award is in two parts, TSHEA and TSFOC</u>:

STEP 3.   TSHEA =   ROUND (0.36 * ROUND (0.20 * TPT))

STEP 4.   TSFOC =   ROUND (0.64 * ROUND (0.20 * TPT))

D: <u>If the student is *neither* Core 40 *nor* Academic Honors, the term THEA and TFOC are</u>:

STEP 5.   THEA   =   TRHEA

STEP 6.   TFOC   =   TRFOC

E: <u>If the student is either Core 40 *or* Academic Honors, the term THEA and TFOC are</u>:

STEP 5.   THEA   =   TRHEA + TSHEA

STEP 6.   TFOC   =   TRFOC + TSFOC

F: <u>If the student is a 21st Century Scholar, the term supplement TCEN using TCT is</u>:

STEP 7.   TCEN   =   MINIMUM (ROUND (TCT − (THEA + TFOC)) , CAP21)

Therefore, the total award due a Scholar is THEA + TFOC + TCEN

NOTE: For *reconciliation*, the correct formula for TCEN is:

TCEN   =   MINIMUM (ROUND (TCT − (THEA + TFOC) − (*other tuition aid*)), CAP21)

where all non-State <u>tuition specific</u> aid to Scholars ("*other tuition aid*") regardless of its source must be applied *before* the Scholars' supplement is calculated.

NOTE: The National Guard Supplemental grant is available only at public institutions.

NOTE: Do <u>not</u> do checks for nulls or negative amounts or amounts less than the minimum award until *after* the supplements (TSHEA and TSFOC) are calculated <u>and</u> added to the base "TR" amounts. The values TRHEA, TRFOC, TSHEA, and TSFOC are all intermediate values. Only THEA, TFOC and TCEN are final values that can be added to get the annual amounts.

Partial Awards

Less than full year and partial awards (in particular EPs or EQs coded awards) for full time students are calculated when a student's remaining eligibility for a SSACI award is less than a full academic year. This is because the student has used up most of their four academic years of eligibility and has only a fraction of a year left. Students have 12 units of eligibility each academic year for a total of 48 units over four years. A semester full time award counts as 6 units, a trimester or quarter award as 4 units. Part time awards count half as much. Obviously if a student had 12 or more units remaining they would have a full year annual award. But if a student had only 6 units

left at a semester school, they would have a partial award for one term only; 9 units remaining would mean a semester and a half award; and 3 units, only half a semester's award. Eligibility is described in detail elsewhere in this document.

To calculate a partial award or see how SSACI has done so, two things must be known: (1) the student's remaining units of eligibility; and (2) the annual award as if the student had 12 units to use[8]. The student's remaining units of eligibility can be found in the **iXchange** files (APPL, NOTF and RECN) and on SSACI's Internet Application: *e***GRADS**[9]. Calculating the annual or full year award is done in the usual way. The basic idea of partial awards is straightforward: if a student has E units left, where E is less than 12, then the student's total award is (E/12) x (annual award); the award must be properly split up among terms. Note well that using the simple method to calculate partial awards can yield inaccuracies, whereas using the supplemental method will give results identical to SSACI's. But for estimating awards, the simple method will usually work.

Splitting the award up among terms is straightforward. If a student at a semester school had 6 units of eligibility left, the award would be the same as the fall term award. If a student at a trimester or quarter school had 4 units left, the award would be the same as the fall term award; 8 units would mean the student has two term awards left. It is always assumed that the award is calculated as a first term award or a first and second term award. Unused awards would be shifted to the next term for that year. Thus an unused fall award would become a spring award, and so on.

If a student has less than 6 units left at a semester school, the term award is (units/12) x (annual award). Similarly, the term award for a student with less then 4 units at a trimester or quarter school, is just (units/12) x (annual award). If a semester student had more than 6 units left, the student would have two term awards: the first is the usual fall award, the second is the award based on the eligibility units left *after* the 6 units for the fall are applied. Thus if a student had 3 units left, the spring partial award would be 3/6 = 1/2 of the usual spring award (which, of course, is itself 1/2 of the annual award). In the same way, if a trimester student had 6 units left for the year, they would have a first term award in the usual way plus 2/4 = 1/2 of a second term award. The following table summarizes the possibilities.

Table of Partial Awards			
AA is the annual award calculated as if the student had 12 units of eligibility to use Awards unused in the first term would be shifted to the next term Calculations should be rounded			
Remaining Units	**Term 1**	**Term 2**	**Term 3**
Semester			
Units < 6	(Units/12) x AA	None	
Units = 6	Usual term 1 award	None	
6 < Units < 12	Usual term 1 award	[(Units – 6)/12] x AA	
Trimester and Quarter			
Units < 4	(Units/12) x AA	None	None
Units = 4	Usual term 1 award	None	None
4 < Units < 8	Usual term 1 award	[(Units – 4)/12] x AA	None
Units = 8	Usual term 1 award	Usual term 2 award	None
8 < Units < 12	Usual term 1 award	Usual term 2 award	[(Units – 8)/12] x AA

At any time, *remaining* units of eligibility and the *number of units* in a term must be considered. Thus if a student had 3 units left, they would have three-sixths (one half!) of a <u>term</u> award at a semester school, but at a trimester school they would have three-fourths of a <u>term</u> award. This is of course because semesters are worth six units and trimesters four (and both are worth 12 units per year).

Combining Term Awards into Annual Awards

Awards can be thought as annual amounts but they are paid by terms. SSACI subsidizes 2 or 3 terms–2 at semester schools and 3 at approved trimester and quarter schools. The method used to calculate the award

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[8] Partial awards could be calculated using term awards but the annual approach is usually easier.
[9] This application allows on-line access to many data items from SSACI's in-house Grant Reporting And Delivery System (GRADS).

determines how it should be split into term awards. The supplemental method of calculating awards means that each award (Academic Honors supplement, Core 40 supplement, base award, 21st Century Scholars' award, and National Guard) be calculated by term first and the separate term awards added together to get the total term award. That is, the total term award is built up from the separate term awards and the annual award from the term awards. The annual award is the sum of the term awards no matter if it is HEA, FOC, CEN, or NGS. The formulas for getting the annual awards are trivial:

❑ For semester based institutions (2 terms or payment periods):

ANNUAL AWARD   =   TERM 1AWARD + TERM 2 AWARD

❑ For trimester or quarter based institutions (3 terms or payment periods):

ANNUAL AWARD   =   TERM 1 AWARD + TERM 2 AWARD + TERM 3 AWARD

Programming the Formulas

❑ The formulas as described do not contain the obvious IF ... THEN ... ELSE statements that could be used to calculate the Core 40 or Academic Honors supplement. There are many ways of introducing such control statements *after* the RHEA or RFOC values are calculated for every student. For example, a statement could be IF (Student is Core 40), THEN (calculate SHEA and SFOC) ELSE (set SHEA and SFOC to 0). Next, calculate HEA and FOC by adding RHEA and SHEA, and RFOC and SFOC. A compound IF ... THEN ... ELSEIF ... THEN ... ELSE could be used to check both Core 40 and Honors before defaulting to zero (0) for SHEA and SFOC on the last ELSE.

❑ Do not do checks for nulls or negative amounts or amounts less than the minimum award until *after* the supplements (SHEA and SFOC) are calculated and added to the base "R" amounts *to get the annual amounts*. The values RHEA, RFOC, SHEA, and SFOC are all intermediate values. Only HEA, FOC, and CEN/NGS are final values.

❑ Make certain that the ROUND and TRUNCATE function and parentheses are used exactly as described. Deviation from the formulas could result in incorrectly calculated awards.

❑ Institutional calculations and SSACI's supplemental method by term should yield the same results on the same data, but as always *all awards are estimated until SSACI makes the awards final*. Note particularly that the 21st Century Scholars Award (CEN) and the National Guard Supplemental grant (NGS) are *always* estimates until the institution applies (subtracts) other tuition specific aid during reconciliation. In any event, it might be necessary to adjust institutionally estimated awards to agree with SSACI's awards. This should be done as early as possible in the award cycle but certainly during reconciliation.

Changing Awards

❑ If a student's PC or EFC changes or the student changes schools, a new award will be calculated even if the award is only for a single term. For example, if a student attends an independent institution in the fall but switches to a public for the spring, a new annual award will be calculated and allocated to the spring term using the rules listed above just as if the student had attended the public institution all year.

❑ If student FAFSA/ISIR data is verified by the institution and if the institution submits the corrections to the CPS, an award can be recalculated before reconciliation. The institution should always use SSACI's calculated award as revised on a new reconciliation (RECN) record.

Eligibility Units and SSACI Awards

State grants are awarded only for a total of *four years* (eight semesters or equivalent) and must be used within *ten years* after the first award is used. These statutory limits apply to the Higher Education Award, the Freedom of Choice grant, the Twenty-first Century Scholar's award, the Part Time Grant, the National Guard Supplemental Grant and any other state awards that subsidize tuition[10]. The awards are only for the fall and spring semesters or the fall, winter, and spring trimesters or quarters and they cannot be used for summer school.

❑ Four-year eligibility. Awards are granted only for the equivalent of four academic years. The years or terms of enrollment that make up the years do not have to be consecutive (but see the ten-year eligibility rule). A student is allocated a total of 48 units of eligibility. Once the 48 units are used the student can no longer receive state

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[10] Fee remission programs such as the CVO Program have other limitations.

aid. A student has available 12 units each academic year (4 years times 12 units equals the 48 total units). Using an award as a full time student for a *semester* uses 6 units. Using an award as a full time student for a *trimester* or *quarter* uses 4 units. Using an award as a part time student counts as one-half of the full time award: 3 units at semester schools and 2 at trimester and quarter schools. Various units of eligibility can be used in combination. If a college or university charges the student for tuition and a state grant is used to pay for it, a student has used eligibility even if she or he drops out of school. A student's remaining units of eligibility can be found in the iXchange files (APPL, NOTF and RECN) and on SSACI's Internet Application: *e*GRADS.

- Examples of eligibility use are:
    * A student goes to college full time for 3 consecutive semesters. They have used 18 units of eligibility and have 48 minus 18 or 30 units remaining.
    * A student uses an award as a full time student one trimester and then as a part time student for the next. The student has used 4 plus 2 or 6 units of eligibility and has 42 left.
    * A student attends a college for one semester and then transfers to a college on a trimester system and finishes one term there. The student used 6 plus 4 or 10 units of eligibility.
    * A student with 9 units of eligibility remaining could take a full time semester award and a part time semester award (6 plus 3), or two quarters at 4 units each for 8 units and 1 unit in the third quarter.
    * A student with 9 units of eligibility remaining could take a full time semester award and a full time partial semester award (semester award plus one-half of a semester award).

❑ Ten-year eligibility. A student must use their awards, full time or part time, within a ten year period starting when they *first use* an award. If a student first used an award in the 1987-88 academic year, their last academic year to use an award would be 1996-97. If she or he first used an award in 1998-99, their last year to use an award would be 2007-08. The *last year in which an award can be used* can be found by adding 9 to the first year in which the award was used. If a college or university charges the student for tuition and a state grant is used to pay for it, a student has used eligibility even if she or he drops out of school.

❑ Overall eligibility. A student can use up their eligibility for a state award by either using the 48 units or by running out of the ten years, whichever occurs *first*.

Special Note about Calculating the National Guard Supplemental Grant

The National Guard Supplemental (NGS) grant is both a full time and a part time grant that is available only at public institutions. To be eligible students must meet all SSACI eligibility requirements for the HEA (including filing the FAFSA on-time for both full *and* part time students) and be certified *each and every term* by the Indiana National Guard. All NGS awards are tentative until the Guard certifies to SSACI that the student is eligible and SSACI in turn certifies the student to the institution by creating an award for reconciliation. *Final certification might not take place until after the start of classes in each term. Hence the RECN file must be checked carefully for appropriate award amounts and the NG eligibility flag before full time NGS awards are reconciled or part time awards are calculated.* Eligible students will always have full time amounts in the NGS fields in the RECN file. Be aware that NG eligibility could change from term to term: a student could be eligible in the fall but not in the spring and regain eligibility for the next fall. It is essential that the RECN file be checked each term. This of course is no different than checking the RECN for a revised award.

If a Guard member takes classes as a part-time student, the NGS award has to be re-calculated by the institution just as they now calculate awards for part time students (although the method is different). In fact, the student might be eligible for a regular (HEA) Part Time Grant (PTG). If so, *the NGS would be a supplement to the PTG to make up the difference in the actual tuition charges not covered by the PTG*. In the formulas, PTG would replace HEA and the student's actual current tuition charges would replace **CT** (but see the next paragraph). A student would have both a PTG and an NGS grant. Unlike the PTG Program, there is no preset amount of money allocated to institutions for part time NGS awards: Awards should be available to all eligible and qualified students just as with the HEA.

However, because of limited PTG funds or lack of PTG eligibility, it could happen that the student does not have a PTG. In the formula this means HEA=0. The NGS would be the student's actual part-time CT tuition charges. However, those charges cannot exceed the current full-time tuition charge used to calculate the full-time NGS. That is, the part-time NGS cannot exceed the equivalent full-time NGS even if the full-time NGS was calculated with an HEA award of zero (0). Of course, "other tuition specific aid" must still be counted.

Special Note About Part-time NGS Grants

The amount of the NGS part-time grant is not determined by the size of the full-time NGS grant. This means that an NGS part-time award could exceed the full-time award. This could happen if the full-time NGS award is small because the student has a large HEA, but if the student is not eligible for a regular Part-time Grant, then the part-time NGS could be large to "make up the difference".

Note well that a part time NGS grant record *cannot* be added to the RECN file as can be done with the Part Time Grant: the student *must already have an NGS award in an RECN* record to be considered eligible for the award. In reconciling the NGS, the same amount field in the RECN file is used for both full and part time awards. However, for part time Guard students the usual part time data fields *must* be supplied: degree type, current credit hours and cumulative credit hours. That is, indicating a part time NGS means using the "XC" change code *and* supplying part time data items in the RECN record.

Special Awards in Special Circumstances

There are occasions when an institution must calculate a special FOB award for a student. For example, under the aegis of the institution a student might be spending a semester abroad or be taking classes under a consortium agreement. If the tuition[11] charged to the student is more than the SSACI approved tuition, then no new award need be calculated—the student already has the maximum allowed award. *However, if the tuition is lower than the approved tuition, a new award must be calculated.* It is simple to do: the new award would be calculated using the same formula as before but using the new lower tuition. Thus the new FOB award would be ROUND (RATE x NewTuition) – CONTRIB. Note if this award is calculated by term, the NewTuition would be the term tuition and CONTRIB the term contribution. *However, since the original tuition used in the formula is the FOB (PT) tuition, this new tuition must also be the comparable FOB tuition and not the CEN (CT) tuition.* The tuition used must of course always be determined using the *Lesser Rule* described earlier. This is because the new award is treated as an award at a new and separate school with a different tuition. Reconciliation of the new award is straightforward.

Therefore, in calculating a special award, the situation is this:

- The new tuition cannot exceed the SSACI approved tuition. If it does, there is no new award.

- If the new tuition is less than the approved tuition, a new award is calculated using the same formula as before but using the new tuition. This tuition must be the FOB (PT) comparable tuition. The tuition used could be the term or the annual tuition and the award split into term awards in the appropriate way.

- In the special case that the student or family contribution is zero (0) and the new tuition is less than the original *award,* it is not correct to use the new tuition as the award. A new award must still be calculated using the old tuition subsidy rate and the new tuition.

- If the student is due a supplemental award such as the Scholars award, it would have to be recalculated as well using the usual formula but the new CEN (CT) tuition and the new FOB.

The Public and Independent College Cap

By state law, the tuition subsidized at public and independent colleges is capped, that is, the state does not subsidize the full tuition these schools charge to their students but rather sets a maximum. At both types of colleges the caps are set at the maximum based on available funds and using the approved tuitions for the academic year 2003-04 as a base. At an independent college, every effort is made to set the maximum so that it is the "true" tuition cost of educating a student at a public institution in Indiana. Roughly, this cost per student is

state appropriations per student + tuition + other non-state funds per student

Because the state cannot subsidize the independent colleges at higher levels than it and students subsidize state institutions (the former by appropriations, the latter by tuition), only the first two numbers are considered. The cap cannot exceed the sum of the highest tuition subsidized for any public institution and the lowest per student appropriation to any public institution. SSACI adjusts this number by the few dollars needed to make sure it is divisible by both 2 and 3, and according to available funds.

Examples of Award Calculations

The examples of award calculations that follow are used in the sense of "an instance (as a problem to be solved) serving to illustrate a rule or precept or to act as an exercise in the application of a rule". If a computer program is used to estimate awards, the examples can be used to verify the programming code is correct. Similarly, if a

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[11] As usual, tuition means tuition and approved fees.

spreadsheet is used to create estimated awards, the examples can be used to test the calculations. The important thing is that the examples be used to illustrate and test the formulas and not the other way around. The numbers used in the examples are purposely not current data.

What that all means is this: Don't work through some examples for specific students and then use the examples to write formulas. Write the formulas for the application first and then test them. For example, suppose you have a student with zero (0) contribution and you are calculating a special semester award where the semester tuition is $4,250. The semester award would be .8x4250 – 0 = 3400. However, if the student had a FAFSA contribution of $1,000 the calculation of .8x4250 – 1000 = 2400 is incorrect. The reason is obvious: the $4,250 is the semester tuition, whereas the contribution $1,000 applies to the whole year. The correct way to do the calculation is to refer to the formula *.80xAnnualTuiton – Contribution*. Hence, because the annual tuition is $8,500, the award is 1/2 of the amount (.8x8500 – 1000) = 5800 or $2,900. That is, 1/2 of the annual award is 3400 – 500 =2900. What makes the first example work of course is that 1/2 of zero (the contribution) is zero so that the calculations look OK.

<u>Simple Method of Annual Award Calculations</u>

<u>Public University</u>
    "Previous year" or FOB allowable tuition and fees (PT): $4,512
    "Current year" or CEN/NGS allowable tuition and fees (CT): $4,750
    Two payment terms, that is, a semester school.

<u>Student</u>
    Contribution: $1,000
    Status: Core 40 and 21st Century Scholar or National Guard member

    Step 1:   THEA   =   ROUND(0.90 * ROUND(4512/2)) – ROUND(1000/2)
                                =   ROUND(2030.4) – 500 = 2030– 500 = 1530

    Step 2:   TCEN   =   ROUND(ROUND(4750/2) – 1530) = 2375 – 1530 = 845

HEA   Term 1 award = 1530   Term 2 award = 1530   Annual award = 3060
CEN or NGS   Term 1 award = 845   Term 2 award = 845   Annual award = 1690

<u>Independent University</u>
    "Previous year" FOB allowable tuition and fees (PT): $8,518   Term tuition = 4259
    "Current year" CEN allowable tuition and fees (CT): $8,518   Term tuition = 4259
    Two payment terms, that is, a semester school

<u>Student</u>
    Contribution: $1000   Term contribution = 500
    Status: Regular

    Step 1:   HEA   =   ROUND(.36*(ROUND(.80*4259) – 500)) = 1047
    Step 2:   FOC   =   ROUND(.64*(ROUND(.80*4259) – 500)) = 1861

HEA   Term 1 award = 1047   Term 2 award = 1047   Annual award = 2094
FOC   Term 1 award = 1861   Term 2 award = 1861   Annual award = 3722

<u>Any College</u>
    "Previous year" FOB allowable tuition and fees (PT): $1,985   Term tuition = ROUND(1985/3) = 662
    "Current year" CEN allowable tuition and fees (CT): $1,985   Term tuition = ROUND(1985/3) = 662
    Three payment terms, that is, a trimester school

Student
    Contribution: $1,007   Term contribution = TRUNCATE(1007/3) = 335
    Status: Core 40 and 21st Century Scholar

    Step 1:   HEA   =   ROUND(0.90 * 662) – 335   =   596 – 335   =   261

    Step 2:   CEN   =   662 – 261   =   401

HEA   Term 1 award = 261   Term 2 award = 261   Term 3 award = 261   Annual award = 783
CEN   Term 1 award = 401   Term 2 award = 401   Term 3 award = 401   Annual award = 1203

Partial Award Calculations (Using Annual Calculations)
Any University
    "Previous year" FOB allowable tuition and fees (PT): $4,512
    "Current year" CEN/NGS allowable tuition and fees (CT): $4,750

Student 1
    Contribution: $1,000
    Status: Core 40 and 21st Century Scholar
    Remaining eligibility: 9 units

    Calculate award as if the student had 12 units of eligibility
    Step 1:   FOB   =   ROUND(0.90 * 4512) – 1000
                        =   ROUND(4060.8) – 1000 = 4061 – 1000 = 3061

    Step 2:   CEN   =   ROUND(4750 – 3061) = 1689

FOB(HEA)
Semester school: Term 1 award   = 1531
                    Term 2 award   = ROUND([(Units – 6)/12] * (Annual Award))
                                    = ROUND([(9 – 6)/12] * 3061)   =   765
                                    (which is one-half of the term 2 award)

CEN
Semester school: Term 1 award   = 845
                    Term 2 award   = ROUND([(Units – 6)/12] * (Annual Award))
                                    = ROUND([(9 – 6)/12] * 1689)   =   422
                                    (which is one-half of the term 2 award)
Student 2
    Contribution: $0
    Status: Regular
    Remaining eligibility: 6 units

    Calculate award as if the student had 12 units of eligibility
    Step 1:   HEA   =   ROUND(0.80 * 4512) – 0
                        =   ROUND(3609.6) – 0 = 3610 – 0 = 3610

FOB(HEA)
Quarter school: Term 1 award   = 1204
                    Term 2 award   = ROUND([(Units – 4)/12] * (Annual Award))
                                    = ROUND([(6 – 4)/12] * 3610)   =   602
                                    (which is one-half of the term 2 award)
                    Term 3 award   =   None

Supplemental Method of Award Calculations

Any University
"Previous year" FOB allowable tuition and fees (PT): $4,512   Term tuition = ROUND(4512/3) = 1504
"Current year" CEN allowable tuition and fees (CT): $4,750   Term tuition = ROUND(4750/3) = 1583
Three payment terms, that is, a trimester school

Student
Contribution: $1,000   Term contribution = ROUND(1000/3) = 333
Status: Core 40 and 21st Century Scholar or National Guard member

Step 1:   TRFOB   =   ROUND(0.80 * 1504) –   333
                          =   ROUND(1203.2) – 333 = 1203 – 333 = 870
Step 2:   TSFOB   =   ROUND(0.10 * 1504) = ROUND(150.4) = 150
Step 3:   TFOB   =   TRHEA + TSHEA = 870 + 150 = 1020
Step 4:   TCEN or TNGS =   ROUND(1583 – 1020) = 563

FOB(HEA)   Term 1 award = 1020   Term 2 award = 1020   Term 3 award = 1020

CEN or NGS   Term 1 award = 563   Term 2 award = 563   Term 3 award = 563